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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
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| 10/073,204 | 02/13/2002 | Takaaki Namba | 2002_0230A | 5300 |
| 513 | 7590 | 08/02/2005 | EXAMINER | |
| WENDEROTH, LIND & PONACK, L.L.P. | | | POND, ROBERT M | |
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| SUITE 800 | | | | |
| WASHINGTON, DC 20006-1021 | | | 3625 | |

DATE MAILED: 08/02/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

| | | |
|------------------------------|----------------------------|------------------|
| Office Action Summary | Application No. | Applicant(s) |
| | 10/073,204 | NAMBA ET AL. |
| | Examiner Robert M. Pond | Art Unit 3625 |

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) Responsive to communication(s) filed on 02 May 2005.
 2a) This action is **FINAL**. 2b) This action is non-final.
 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) Claim(s) 5-21 and 33-38 is/are pending in the application.
 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
 5) Claim(s) _____ is/are allowed.
 6) Claim(s) 5-21 and 33-38 is/are rejected.
 7) Claim(s) _____ is/are objected to.
 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.
 10) The drawing(s) filed on 02 May 2005 is/are: a) accepted or b) objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) Notice of References Cited (PTO-892)
 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)
 3) Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
 Paper No(s)/Mail Date 6/20/05.

4) Interview Summary (PTO-413)
 Paper No(s)/Mail Date. _____.
 5) Notice of Informal Patent Application (PTO-152)
 6) Other: _____.

DETAILED ACTION

Response to Amendment

The Applicant canceled claims 1-4 and 22-32, amended claims 5-21, and newly added claims 33-38. All pending claims 5-21 and 33-38 were examined in this final office action necessitated by amendment.

Response to Arguments

Applicant's arguments filed 02 May 2005 have been fully considered but they are not persuasive. Matsushita and Ginter teach distributor redistributing content from creators, redistributors redistributing content from distributors, rules and controls for rights usage traveling with the distributed or redistributed content ultimately to the end-user or consumer, dynamic updating of usage rights, and consumers redistributing content to other end-users or consumers. Matsushita and Ginter teach or suggest electronic appliances (e.g. computers, server, PDA, telephones, etc) being used to receive and redistribute electronic content in a secure format.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

1. Claims 35-38 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The Applicant is claiming program product or a program in a computer readable medium. Claims to computer-related inventions that are clearly nonstatutory fall into the same general categories as nonstatutory claims in other arts, namely natural phenomena such as magnetism, and abstract ideas or laws of nature that constitute "descriptive material." Abstract ideas, Warmerdam, 33 F.3d at 1360, 31 USPQ2d at 1759, or the mere manipulation of abstract ideas, Schrader, 22 F.3d at 292-93, 30 USPQ2d at 1457-58, are not patentable. Descriptive material can be characterized as either "functional descriptive material" or "nonfunctional descriptive material." In this context, "functional descriptive material" consists of data structures and computer programs that impart functionality when employed as a computer component. (The definition of "data structure" is "a physical or logical relationship among data elements, designed to support specific data manipulation functions." The New IEEE Standard Dictionary of Electrical and Electronics Terms 308 (5th ed. 1993).) "Nonfunctional descriptive material" includes but is not limited to music, literary works and a compilation or mere arrangement of data.

Both types of "descriptive material" are nonstatutory when claimed as descriptive material per se. Warmerdam, 33 F.3d at 1360, 31 USPQ2d at 1759. When functional descriptive material is recorded on some computer-readable medium it becomes

structurally and functionally interrelated to the medium and will be statutory in most cases since use of technology permits the function of the descriptive material to be realized. Compare *In re Lowry*, 32 F.3d 1579, 1583-84, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994) (claim to data structure stored on a computer readable medium that increases computer efficiency held statutory) and *Warmerdam*, 33 F.3d at 1360-61, 31 USPQ2d at 1759 (claim to computer having a specific data structure stored in memory held statutory product-by-process claim) with *Warmerdam*, 33 F.3d at 1361, 31 USPQ2d at 1760 (claim to a data structure *per se* held nonstatutory). When nonfunctional descriptive material is recorded on some computer-readable medium, it is not statutory since no requisite functionality is present to satisfy the practical application requirement. Merely claiming nonfunctional descriptive material stored in a computer-readable medium does not make it statutory. Such a result would exalt form over substance. *In re Sarkar*, 588 F.2d 1330, 1333, 200 USPQ 132, 137 (CCPA 1978) ("[E]ach invention must be evaluated as claimed; yet semantogenic considerations preclude a determination based solely on words appearing in the claims. In the final analysis under 101, the claimed invention, as a whole, must be evaluated for what it is.") (quoted with approval in *Abele*, 684 F.2d at 907, 214 USPQ at 687). See also *In re Johnson*, 589 F.2d 1070, 1077, 200 USPQ 199, 206 (CCPA 1978) ("form of the claim is often an exercise in drafting"). Thus, nonstatutory music is not a computer component and it does not become statutory by merely recording it on a compact disk. Protection for this type of work is provided under the copyright law.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. **Claims 5-21 and 33-38 are rejected under 35 USC 103(a) as being unpatentable over Matsushita (Paper #20050201, a collection of prior art cited in PTO-892, Items: V and W), in view of Ginter et al. (Paper #20050201, US 5,910,987 hereinafter referred to as “Ginter”).**

Matsushita teaches Matsushita Electric and InterTrust Technologies integrating the capabilities of both companies to permit the secure transfer of music packaged in InterTrust's DigiBox Secure Containers to Panasonic's Secure Digital (SD) audio format memory card devices (please note examiner's interpretation: transferring, downloading, exchanging content). Matsushita teaches the InterTrust-Panasonic technology being showcased at the January 2001 International Consumer Electronics Show in Las Vegas, Nevada.

Matsushita teaches InterTrust's peer-to-peer distributed digital rights management technology. Matsushita teaches an end-to-end system for secure digital music distribution services, Panasonic bundling InterTrust's InterRights Point software on CD-ROMs with its e-wear portable audio players (W: see at least pages 1-2). Matsushita further teaches Matsushita Electric and Intel

Corporation co-developed software that securely distributes music over the Internet that manages online music distribution from a personal computer and allows the transfer of music to systems with a secure digital memory card (V: see at least pages 1-2).

Matsushita teaches all the above as noted under the 103(a) rejection but does not disclose specific information pertaining to InterTrust's secure content container distribution system. Ginter teaches InterTrust's secure content distribution system using secure content containers (see at least abstract; Fig. 1 (100); Fig. 2 (102, 106, 112, 116); col. 2, line 24 through col. 47, line 62). Ginter further teaches exchanging content between content creators, distribution management computers, and content users requesting content download and making payment. Ginter further teaches:

- *content creation; secure content containers*: (see at least Fig. 2 (102); Fig. 5A (300); Fig. 5B (300); col. 8, line 16 through col. 12, line 20).
- *rights and content container distribution management to direct users or other distribution points*: reports and payment (see at least Fig. 2 (106); col. 4, line 17 through col. 6, line 26).
- *rules and control*: metering; usage rules (see at least Fig. 2 (110); Fig. 2A (102, 106, 112); col. 22, lines 10-20).
- *receiving content by the user; user terminals*: (see at least Fig. 2 (112); col. 7, lines 42-54).

- transferring content from one user to another user: launchable content (see at least col. 24, lines 25-62).
- Searching content: (see at least col. 37, line 1 though col. 38, line 67); supports dynamic user selection of information subsets of content; consumer search tools, consumer search criteria; hits for user selection (see at least col. 22, line 10 through col. 23, line 14).
- Identifying content distributor: content carries IDs of rights owners and/or distributors (see at least col. 126, line 8-22).
- Electronic appliances: computers, servers, mainframes, PDAs, telephones, etc.
- Redistributing content: teaches redistributors and redistribution;
 - transferring content from one consumer to another consumer; transferring content from distributor to redistributors (see at least Fig. 83);
 - use rights distributed by publishing house may, for example, permit an office to make and distribute copies of the content to its employees; office may act as a redistributors by extending a "chain of handling and control" to its employees; the office may add or modify "rules and controls" (consistent with the "rules and controls" it receives from publishing house) to provide office-internal control information and mechanisms; for example, the office may set a maximum usage budget for each individual user and/or group within the office, or it may

permit only specified employees and/or groups to access certain information (see at least col. 52, lines 36-47);

- o many objects are distributed by physical media and/or by "out of channel" means (e.g., redistributed after receipt by a customer to another customer) might not include key blocks 810 in the same object 300 that is used to transport the content protected by the key blocks; VDE objects may contain data that can be electronically copied outside the confines of a VDE node. If the content is encrypted, the copies will also be encrypted and the copier cannot gain access to the content unless she has the appropriate decryption key(s). For objects in which maintaining security is particularly important, the permission records and key blocks will frequently be distributed electronically, using secure communications techniques that are controlled by the VDE nodes of the sender and receiver. As a result, permission records and key blocks will frequently be stored only on electronic appliances of registered users (and may themselves be delivered to the user as part of a registration/initialization process). In this instance, permission records and key blocks for each property can be encrypted with a private DES key that is stored only in the secure memory of an SPU, making the key blocks unusable on any other user's VDE node.

Alternately, the key blocks can be encrypted with the end user's public key, making those key blocks usable only to the SPU that stores the

corresponding private key (or other, acceptably secure, encryption/security techniques can be employed) (see at least col. 126, line 64 through col. 127, line 24).

- The chain of handling and control may, in addition to posting budget information, also pass control information that governs the manner in which said budget may be utilized.; control information may also contain control information describing the process and limits that apply to the distributor's redistribution of the right to use the creator's content object. Thus, when the distributor responds to a budget request from a using the distribute process 1472B within the distributor's copy of the BUDGET method 1510B, a distribution and request/response/reply process similar to the one described above might be initiated.
- Software and medium: software, recordable medium, and devices (see at least col. 3, lines 2-50; col. 6, line 27 through col. 7, line 30).
- Security: encryption and decryption (see at least col. 12, line 21 through col. 13, line 39).

Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to modify the system and method of Matsushita to implement content creation, secured content distribution, rights management with rules/control, and payment as taught by Ginter, in order to provide secured digital rights management and content delivery, and thereby attract content providers and users to the online service.

Pertaining to apparatus claims 5-21

Rejection of claims 5-21 is based on the same rationale as noted above.

Pertaining to program claims 35 and 36

Rejection of claims 35 and 36 is based on the same rationale as noted above.

Pertaining to computer readable medium claims 37and 38

Rejection of claims 37 and 38 is based on the same rationale as noted above.

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Robert M. Pond whose telephone number is 703-605-4253. The examiner can normally be reached on 8:00AM-5:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Ms. Wynn Coggins can be reached on 703-308-1344. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Robert M. Pond
Primary Examiner
July 25, 2005